

OFFICE OF THE STATE CONTROLLER  
STATE MANDATED COSTS CLAIMING INSTRUCTIONS NO. 2008-09  
BINDING ARBITRATION  
SEPTEMBER 2, 2008

Reimbursement Period: January 1, 2001, through April 30, 2003

In accordance with Government Code (GC) Section 17561, eligible claimants may submit claims to the State Controller's Office (SCO) for reimbursement of costs incurred for state mandated cost programs. The following are claiming instructions and forms that eligible claimants will use for filing claims for the Binding Arbitration program. These claiming instructions are issued subsequent to adoption of the program's Parameters and Guidelines (P's & G's) by the Commission on State Mandates (CSM).

On March 29, 2007, CSM determined that test claim legislation established costs mandated by the State according to the provisions listed in the P's & G's. For your reference, the P's & G's are included as an integral part of the claiming instructions.

**Limitations and Exceptions**

The following activities are not reimbursable:

1. Train agency management, counsel, staff and members of governing bodies regarding binding arbitration;
2. Restructure bargaining units to accommodate binding arbitration;
3. Perform discovery activities, as set forth in Code of Civil Procedure Sections 1281.1, 1281.2 and 1299.8, when such activities are engaged in outside the binding arbitration process triggered by Code of Civil Procedure Section 1299.4;
4. Collect and compile comparability data, handle two track negotiations or participation in mediation, when such activities are engaged in outside the binding arbitration process triggered by Code of Civil Procedure Section 1299.4;
5. Negotiate with the employee organization representatives based on the arbitration panel's award, pursuant to Code of Civil Procedure Section 1299.7, subdivision (a);
6. Litigate interpretation of the test claim statutes; and
7. Fee and mileage of a witness subpoenaed solely upon the determination of the neutral arbitrator.

**Eligible Claimants**

Any city or county, that employs firefighters and/or law enforcement officers, as defined in Code of Civil Procedure Section 1299.3, and incurs increased costs as a result of this reimbursable state-mandated program is eligible to claim reimbursement of these costs, except one governed by a charter that was amended prior to January 1, 2001, to incorporate a requirement for resolving employment disputes via binding arbitration (Code Civ. Proc., § 1299.9, subd. (a)).

## **Filing Deadlines**

### **A. Reimbursement Claims**

Initial reimbursement claims must be filed within 120 days from the issuance date of the claiming instructions. Costs incurred for compliance with this mandate are reimbursable for the period January 1, 2001, to June 30, 2001, fiscal year 2001-02, and for the period July 1, 2002, to April 30, 2003, and must be filed with SCO and be delivered or postmarked on or before **December 31, 2008**, before a late fee is assessed. **Claims filed more than one year after the deadline will not be accepted.**

### **B. Late Penalty**

GC Section 17568 as amended by Chapter 6, Statutes of 2008, states that if a local agency submits a reimbursement claim to SCO after the deadline as specified in GC Section 17560, the Controller will reduce the reimbursement claim in an amount equal to 10 percent of the amount that would have been allowed had the reimbursement claim been timely filed, provided that the amount of this reduction does not exceed ten thousand dollars (\$10,000).

### **C. Estimated Claims**

Pursuant to AB 8, Chapter 6, Statutes of 2008, the option to file estimated reimbursement claims has been eliminated. Therefore, estimated claims filed on or after February 16, 2008, will not be accepted by SCO.

## **Minimum Claim Cost**

GC Section 17564(a) provides that no claim should be filed pursuant to Sections 17551 and 17561, unless such claim exceeds one thousand dollars (\$1,000).

## **Certification of Claim**

In accordance with the provisions of the Code of Civil Procedure Section 2015.5, an authorized officer of the claimant is required to provide a certification of claim stating: "I certify, (or declare), under penalty of perjury under the laws of the State of California that the foregoing is true and correct," and must further comply with the requirements of GC Section 17561, for the costs mandated by the State and contained herein.

## **Audit of Costs**

All claims submitted to SCO are reviewed to determine if costs are related to the mandate, are reasonable and not excessive, and the claim was prepared in accordance with SCO's claiming instructions and the P's & G's adopted by CSM. If any adjustments are made to a claim, a "Notice of Claim Adjustment" specifying the claim component adjusted, the amount adjusted, and the reason for the adjustment, will be mailed within 30 days after payment of the claim.

Pursuant to GC Section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by a local agency for this mandate is subject to the initiation of an audit by SCO no later than three years after the date that the actual reimbursement claim was filed or last amended, whichever is later. However, if no funds are appropriated or no payment was made to a claimant for the program for the fiscal year for which the claim was filed, the time for SCO to initiate an audit shall commence to run from the date of initial payment of the claim.

In any case, an audit shall be completed no later than two years after the date that the audit was initiated. All documents used to support the reimbursable activities must be retained during the period subject to audit. If an audit has been initiated by SCO during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings. On-site audits will be conducted by SCO as deemed necessary.

### **Retention of Claiming Instructions**

The claiming instructions and forms in this package should be retained permanently in your Mandated Cost Manual for future reference and use in filing claims. These forms should be duplicated to meet your filing requirements. You will be notified of updated forms or changes to claiming instructions as necessary.

Questions, or requests for hard copies of these instructions, should be faxed to Angie Lowi-Teng at (916) 323-6527 or e-mailed to **ateng@sco.ca.gov**. Or, if you wish, you may call Angie of the Local Reimbursements Section at (916) 323-0706.

For your reference, these and future mandated costs claiming instructions and forms can be found on the Internet at [www.sco.ca.gov/ard/local/locreim/index.shtml](http://www.sco.ca.gov/ard/local/locreim/index.shtml).

### **Address for Filing Claims**

Claims should be rounded to the nearest dollar. Submit a signed original and a copy of form FAM-27, Claim for Payment, and all other forms and supporting documents.

**To expedite the payment process, please sign the form in blue ink, and attach a copy of the form FAM-27 to the top of the claim package.**

Use the following mailing addresses:

If delivered by  
U.S. Postal Service:

Office of the State Controller  
Attn: Local Reimbursements Section  
Division of Accounting and Reporting  
P.O. Box 942850  
Sacramento, CA 94250

If delivered by  
other delivery services:

Office of the State Controller  
Attn: Local Reimbursements Section  
Division of Accounting and Reporting  
3301 C Street, Suite 500  
Sacramento, CA 95816

Adopted: June 26, 2008

## **PARAMETERS AND GUIDELINES,**

Code of Civil Procedure Sections 1299.2,  
1299.3, 1299.4, 1299.5, 1299.6, 1299.8 and 1299.9

Statutes 2000, Chapter 906

### *Binding Arbitration*

01-TC-07

Reimbursement Period: January 1, 2001, through April 30, 2003

## **I. SUMMARY OF THE MANDATE**

On March 29, 2007, the Commission on State Mandates (Commission) adopted a Statement of Decision on the *Binding Arbitration* test claim, finding that the prior Statement of Decision adopted on July 28, 2006, was contrary to law, and, in applying the appropriate law to the test claim, the test claim statutes mandate the following activities:

1. Selecting an arbitration panel member (Code Civ. Proc. § 1299.4, subd. (b)).
2. Submitting the last best final offer of settlement to the arbitration panel (Code Civ. Proc. § 1299.6, subd. (a)).
3. Once arbitration is triggered under Code of Civil Procedure section 1299.4, the following activities required by the arbitration panel or to participate in the arbitration process:
  - a. Meet with the arbitration panel (Code Civ. Proc. § 1299.5, subd. (a)).
  - b. Participate in inquiries or investigations (Code Civ. Proc. § 1299.5, subd. (a)).
  - c. Participate in mediation (Code Civ. Proc. § 1299.5, subd. (a)).
  - d. Participate in hearings (Code Civ. Proc. § 1299.5, subd. (a)).
  - e. Respond to subpoenas and subpoenas duces tecum (Code Civ. Proc. § 1299.5, subd. (b)).
  - f. Respond to or make demands for witness lists and/or documents (Code Civ. Proc., § 1299.8).<sup>1</sup>
  - g. Make application and respond to deposition requests (Code Civ. Proc., § 1299.8).<sup>2</sup>
  - h. Conduct discovery or respond to discovery requests (Code Civ. Proc., § 1299.8).<sup>3</sup>

The Commission found that these activities constitute a “program” as well as a “new program or higher level of service.” Furthermore, the Commission found that the activities impose “costs

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<sup>1</sup> Incorporating by reference Code of Civil Procedure section 1282.2, subdivision (a)(2).

<sup>2</sup> Incorporating by reference Code of Civil Procedure sections 1283 and 1283.05.

<sup>3</sup> Incorporating by reference Code of Civil Procedure section 1283.05.

mandated by the state” within the meaning of article XIII B, section 6 of the California Constitution, and Government Code section 17514.

## **II. ELIGIBLE CLAIMANTS**

Pursuant to Code of Civil Procedure section 1299.2, any city, county, and city and county employing firefighters and/or law enforcement officers, as defined in Code of Civil Procedure section 1299.3, that incurs increased costs as a result of this reimbursable state-mandated program is eligible to claim reimbursement of those costs, except a city, county, or city and county governed by a charter that was amended prior to January 1, 2001, to incorporate a requirement for resolving employment disputes via binding arbitration (Code Civ. Proc., § 1299.9, subd. (a)).

## **III. PERIOD OF REIMBURSEMENT**

Government Code section 17557, subdivision (e), states that a test claim shall be submitted on or before June 30 following a given fiscal year to establish eligibility for that fiscal year. The test claim was filed on October 24, 2001, establishing eligibility for fiscal year 2000-2001. However, the operative date of the test claim statutes, as enacted by Statutes 2000, chapter 906, is January 1, 2001. Moreover, the test claim statutes were declared unconstitutional by the California Supreme Court on April 21, 2003. *Therefore, the reimbursement period for costs incurred pursuant to Statutes 2000, chapter 906, is limited to January 1, 2001, through April 30, 2003.*

Actual costs for one fiscal year shall be included in each claim. Pursuant to Government Code section 17561, subdivision (d)(1)(A), all claims for reimbursement of initial fiscal year costs shall be submitted to the State Controller within 120 days of the issuance date for the claiming instructions.

If the total costs for a given fiscal year do not exceed \$1,000, no reimbursement shall be allowed except as otherwise allowed by Government Code section 17564.

## **IV. REIMBURSABLE ACTIVITIES**

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee time records or time logs, sign-in sheets, invoices, and receipts.

Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, training packets, and declarations. Declarations must include a certification or declaration stating, “I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct,” and must further comply with the requirements of Code of Civil Procedure section 2015.5. Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise in compliance with local, state, and federal government requirements. However, corroborating documents cannot be substituted for source documents.

The claimant is only allowed to claim and be reimbursed for increased costs for reimbursable activities identified below. Increased cost is limited to the cost of an activity that the claimant is required to incur as a result of the mandate.

A. Selection of Local Agency Panel Member and Neutral Chairperson

1. Select an arbitration panel member, which includes attorney, staff and negotiator time to research potential members, and prepare for the selection,
2. Brief the panel member, which includes panel member, attorney, staff, and negotiator time.
3. Vet and select a neutral arbitrator which includes attorney, staff and negotiator time to research potential candidates for neutral chairperson. (Code Civ. Proc. § 1299.4, subd. (b), subd. (c), § 1299.8.)

B. Arbitration Process (includes agency panel member, attorney, staff, and negotiator time)

Once the arbitration is triggered under Code of Civil Procedure section 1299.4, the scope of which is defined in Code of Civil Procedure section 1299.3, subdivision (g), the following activities are reimbursable to participate in the arbitration process and when directed by the panel:

1. Prepare for and meet with the arbitration panel in open or closed session, either jointly or separately. (Code Civ. Proc., § 1299.5, subd. (a)).
2. Submit the last best final offer of settlement to the arbitration panel, five days before the hearing, or as may be mutually agreed to by the parties.
3. Conduct discovery or respond to discovery requests, which includes time to research, prepare to make or respond to requests, gather responsive documents, and meet with witnesses and others to obtain responses or responsive documents or discovery requests and draft and serve responses or discovery requests. (Code Civ. Proc., § 1299.8.)<sup>4</sup>
4. Prepare for, respond to, and participate in inquiries or investigations Code Civ. Proc., § 1299.5, subd. (a)).
5. Respond to subpoenas and subpoenas duces tecum, which includes time to prepare to respond to subpoenas, gather responsive documents, meet with witnesses and others to obtain responsive documents draft and service responses. (Code Civ. Proc., § 1299.5, subd. (b).)
6. Respond to or make demands for witness lists and/or documents, which includes time to research, prepare to make or respond to demands, gather responsive documents, and meet with witnesses and others to obtain responses or responsive documents or demands and draft and serve demands or responses. (Code Civ. Proc., § 1299.8.)<sup>5</sup>
7. Prepare for arbitration panel hearing(s) vet, select, and prepare expert and general witnesses.
8. Make application and respond to deposition requests, which includes time to research, prepare to make or respond to requests, gather responsive documents, and meet with

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<sup>4</sup> Incorporating by reference Code of Civil Procedure section 1283.05.

<sup>5</sup> Incorporating by reference Code of Civil Procedure section 1282.2, subdivision (a)(2).

witnesses and others to obtain responses or responsive documents or requests and draft and serve responses or requests. (Code Civ. Proc., § 1299.8.)<sup>6</sup>

9. Participate in hearings (Code Civ. Proc. § 1299.5, subd. (a)).

10. Consult with the panel, either jointly or separately prior to the award. (Code Civ. Proc., § 1299.5, subd. (a).)

11. Consult with local agency panel member, board of governors, negotiator, attorney, or staff regarding the award. (Code Civ. Proc., § 1299.5, subd. (a).)

12. When directed by the panel:

(a) Submit *updated* last best final offer of settlement to the arbitration panel, including time to prepare for and redraft the last best final offer, and time for consultation with governing board. (Code Civ. Proc. § 1299.6, subd. (a).)

(b) Prepare for and participate in mediation (Code Civ. Proc. § 1299.5, subd. (a).)

(c) Prepare and file closing briefs. (Code of Civ. Proc., § 1299.5, subd. (a).)<sup>7</sup>

#### C. Non-Reimbursable Activities

The following activities are not reimbursable:

1. train agency management, counsel, staff and members of governing bodies regarding binding arbitration;
2. restructure bargaining units to accommodate binding arbitration;
3. perform discovery activities, as set forth in Code of Civil Procedure sections 1281.1, 1281.2 and 1299.8, when such activities are engaged in outside the binding arbitration process triggered by Code of Civil Procedure section 1299.4;
4. collect and compile comparability data, handle two track negotiations or participation in mediation, when such activities are engaged in outside the binding arbitration process triggered by Code of Civil Procedure section 1299.4;
5. negotiate with the employee organization representatives based on the arbitration panel's award, pursuant to Code of Civil Procedure section 1299.7, subdivision (a);
6. litigate interpretation of the test claim statutes; and
7. fee and mileage of a witness subpoenaed solely upon the determination of the neutral arbitrator.

#### V. CLAIM PREPARATION AND SUBMISSION

Each of the following cost elements must be identified for each reimbursable activity identified in Section IV, Reimbursable Activities, of this document. Each claimed reimbursable cost must be supported by source documentation as described in Section IV. Additionally, each reimbursement claim must be filed in a timely manner.

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<sup>6</sup> Incorporating by reference Code of Civil Procedure sections 1283 and 1283.05.

<sup>7</sup> Incorporating by reference Code of Civil Procedure sections.

## A. Direct Cost Reporting

Direct costs are those costs incurred specifically for the reimbursable activities. The following direct costs are eligible for reimbursement.

### 1. Salaries and Benefits

Report each employee implementing the reimbursable activities by name, job classification, and productive hourly rate (total wages and related benefits divided by productive hours). Describe the specific reimbursable activities performed and the hours devoted to each reimbursable activity performed.

### 2. Materials and Supplies

Report the cost of materials and supplies that have been consumed or expended for the purpose of the reimbursable activities. Purchases shall be claimed at the actual price after deducting discounts, rebates, and allowances received by the claimant. Supplies that are withdrawn from inventory shall be charged on an appropriate and recognized method of costing, consistently applied.

### 3. Contracted Services

Report the name of the contractor and services performed to implement the reimbursable activities. If the contractor bills for time and materials, report the number of hours spent on the activities and all costs charged. If the contract is a fixed price, report the services that were performed during the period covered by the reimbursement claim. If the contract services are also used for purposes other than the reimbursable activities, only the pro-rata portion of the services used to implement the reimbursable activities can be claimed. Submit contract consultant, expert witness, and attorney invoices with the claim and a description of the contract scope of services.

### 4. Fixed Assets and Equipment

Report the purchase price paid for fixed assets and equipment (including computers) necessary to implement the reimbursable activities. The purchase price includes taxes, delivery costs, and installation costs. If the fixed asset or equipment is also used for purposes other than the reimbursable activities, only the pro-rata portion of the purchase price used to implement the reimbursable activities can be claimed.

### 5. Travel

Report the name of the employee traveling for the purpose of the reimbursable activities. Include the date of travel, destination point, the specific reimbursable activity requiring travel, and related travel expenses reimbursed to the employee in compliance with the rules of the local jurisdiction. Report employee travel time according to the rules of cost element A.1, Salaries and Benefits, for each applicable reimbursable activity.

## B. Indirect Cost Rates

Indirect costs are costs that are incurred for a common or joint purpose, benefiting more than one program, and are not directly assignable to a particular department or program without efforts disproportionate to the result achieved. Indirect costs may include both (1) overhead costs of the unit performing the mandate; and (2) the costs of the central government services distributed to the other departments based on a systematic and rational basis through a cost allocation plan.



Compensation for indirect costs is eligible for reimbursement utilizing the procedure provided in the Office of Management and Budget (OMB) Circular A-87. Claimants have the option of using 10% of direct labor, excluding fringe benefits, or preparing an Indirect Cost Rate Proposal (ICRP) if the indirect cost rate claimed exceeds 10%.

If the claimant chooses to prepare an ICRP, both the direct costs (as defined and described in OMB Circular A-87 Attachments A and B) and the indirect costs shall exclude capital expenditures and unallowable costs (as defined and described in OMB Circular A-87 Attachments A and B). However, unallowable costs must be included in the direct costs if they represent activities to which indirect costs are properly allocable.

The distribution base may be (1) total direct costs (excluding capital expenditures and other distorting items, such as pass-through funds, major subcontracts, etc.), (2) direct salaries and wages, or (3) another base which results in an equitable distribution.

In calculating an ICRP, the claimant shall have the choice of one of the following methodologies:

1. The allocation of allowable indirect costs (as defined and described in OMB Circular A-87 Attachments A and B) shall be accomplished by (1) classifying a department's total costs for the base period as either direct or indirect, and (2) dividing the total allowable indirect costs (net of applicable credits) by an equitable distribution base. The result of this process is an indirect cost rate which is used to distribute indirect costs to mandates. The rate should be expressed as a percentage which the total amount allowable indirect costs bears to the base selected; or
2. The allocation of allowable indirect costs (as defined and described in OMB Circular A-87 Attachments A and B) shall be accomplished by (1) separating a department into groups, such as divisions or sections, and then classifying the division's or section's total costs for the base period as either direct or indirect, and (2) dividing the total allowable indirect costs (net of applicable credits) by an equitable distribution base. The result of this process is an indirect cost rate that is used to distribute indirect costs to mandates. The rate should be expressed as a percentage which the total amount allowable indirect costs bears to the base selected.

## **VI. RECORD RETENTION**

Pursuant to Government Code section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by a local agency or school district pursuant to this chapter<sup>8</sup> is subject to the initiation of an audit by the Controller no later than three years after the date that the actual reimbursement claim is filed or last amended, whichever is later. However, if no funds are appropriated or no payment is made to a claimant for the program for the fiscal year for which the claim is filed, the time for the Controller to initiate an audit shall commence to run from the date of initial payment of the claim. In any case, an audit shall be completed not later than two years after the date that the audit is commenced. All documents used to support the reimbursable activities, as described in Section IV, must be retained during the period subject to audit. If an audit has been initiated by the Controller during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings.

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<sup>8</sup> This refers to Title 2, division 4, part 7, chapter 4 of the Government Code.

## **VII. OFFSETTING REVENUES AND REIMBURSEMENTS**

Any offsets the claimant experiences in the same program as a result of the same statutes or executive orders found to contain the mandate shall be deducted from the costs claimed. In addition, reimbursement for this mandate from any source, including but not limited to, service fees collected, federal funds, and other state funds, shall be identified and deducted from this claim.

## **VIII. STATE CONTROLLER'S CLAIMING INSTRUCTIONS**

Pursuant to Government Code section 17558, subdivision (b), the Controller shall issue claiming instructions for each mandate that requires state reimbursement not later than 60 days after receiving the adopted parameters and guidelines from the Commission, to assist local agencies and school districts in claiming costs to be reimbursed. The claiming instructions shall be derived from the test claim decision and the parameters and guidelines adopted by the Commission.

Pursuant to Government Code section 17561, subdivision (d)(1), issuance of the claiming instructions shall constitute a notice of the right of the local agencies and school districts to file reimbursement claims, based upon parameters and guidelines adopted by the Commission.

## **IX. REMEDIES BEFORE THE COMMISSION**

Upon request of a local agency or school district, the Commission shall review the claiming instructions issued by the State Controller or any other authorized state agency for reimbursement of mandated costs pursuant to Government Code section 17571. If the Commission determines that the claiming instructions do not conform to the parameters and guidelines, the Commission shall direct the Controller to modify the claiming instructions and the Controller shall modify the claiming instructions to conform to the parameters and guidelines as directed by the Commission.

In addition, requests may be made to amend parameters and guidelines pursuant to Government Code section 17557, subdivision (d), and California Code of Regulations, title 2, section 1183.2.

## **X. LEGAL AND FACTUAL BASIS FOR THE PARAMETERS AND GUIDELINES**

The Statement of Decision is legally binding on all parties and provides the legal and factual basis for the parameters and guidelines. The support for the legal and factual findings is found in the administrative record for the test claim. The administrative record, including the Statement of Decision, is on file with the Commission.

<b>CLAIM FOR PAYMENT</b> <b>Pursuant to Government Code Section 17561</b> <b>BINDING ARBITRATION</b>			<b>For State Controller Use Only</b> (19) Program Number 00284 (20) Date Filed (21) LRS Input		<b>PROGRAM</b> <div style="font-size: 2em; font-weight: bold; margin-top: 10px;">284</div>	
(01) Claimant Identification Number			<b>Reimbursement Claim Data</b>			
(02) Claimant Name			(22) FORM-1, (03)(A)(g)			
Address			(23) FORM-1, (03)(B)(g)			
			(24) FORM-1, (05)			
			(25) FORM-1, (06)			
<b>Type of Claim</b>	<b>Estimated Claim</b>	<b>Reimbursement Claim</b>	(26) FORM-1, (08)			
	(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input type="checkbox"/>	(27) FORM-1, (09)			
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(28)			
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(29)			
<b>Fiscal Year of Cost</b>	(06)	(12)	(30)			
<b>Total Claimed Amount</b>	(07)	(13)	(31)			
Less: <b>10% Late Penalty</b> (refer to claiming instructions)		(14)	(32)			
Less: <b>Prior Claim Payment Received</b>		(15)	(33)			
<b>Net Claimed Amount</b>		(16)	(34)			
<b>Due from State</b>	(08)	(17)	(35)			
<b>Due to State</b>		(18)	(36)			
<b>(37) CERTIFICATION OF CLAIM</b>  <p>In accordance with the provisions of Government Code § 17561, I certify that I am the officer authorized by the local agency to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.</p> <p>I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein; and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.</p> <p>The amounts for the Reimbursement Claim are hereby claimed from the State for payment of actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.</p> <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div style="width: 45%;">           Signature of Authorized Officer   <hr style="border: 0; border-top: 1px solid black; margin: 5px 0;"/> </div> <div style="width: 45%;">           Date   <hr style="border: 0; border-top: 1px solid black; margin: 5px 0;"/> </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div style="width: 45%;">           Type or Print Name             (38) Name of Contact Person for Claim   <hr style="border: 0; border-top: 1px solid black; margin: 5px 0;"/> </div> <div style="width: 45%;">           Title   <hr style="border: 0; border-top: 1px solid black; margin: 5px 0;"/> </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div style="width: 45%;">           Telephone Number   <hr style="border: 0; border-top: 1px solid black; margin: 5px 0;"/> </div> <div style="width: 45%;">           E-mail Address   <hr style="border: 0; border-top: 1px solid black; margin: 5px 0;"/> </div> </div>						

<b>Program</b> <b>284</b>	<b>BINDING ARBITRATION</b> <b>Certification Claim Form</b> <b>Instructions</b>	<b>FORM</b> <b>FAM-27</b>
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- (01) Enter the payee number assigned by the State Controller's Office.
- (02) Enter your Official Name, County of Location, Street or P. O. Box address, City, State, and Zip Code.
- (03) Leave blank.
- (04) Leave blank.
- (05) Leave blank.
- (06) Leave blank.
- (07) Leave blank.
- (08) Leave blank.
- (09) If filing a reimbursement claim, enter an "X" in the box on line (09) Reimbursement.
- (10) If filing a combined reimbursement claim on behalf of districts within the county, enter an "X" in the box on line (10) Combined.
- (11) If filing an amended reimbursement claim, enter an "X" in the box on line (11) Amended.
- (12) Enter the fiscal year for which actual costs are being claimed. If actual costs for more than one fiscal year are being claimed, complete a separate form FAM-27 for each fiscal year.
- (13) Enter the amount of the reimbursement claim from Form-1, line (10). The total claimed amount must exceed \$1,000.
- (14) Reimbursement claims must be filed by **February 15** of the following fiscal year in which costs were incurred or the claims will be reduced by a late penalty. Enter zero if the claim was timely filed, otherwise, enter the product of multiplying line (13) by the factor 0.10 (10% penalty), not to exceed \$10,000.
- (15) If filing a reimbursement claim or a claim was previously filed for the same fiscal year, enter the amount received for the claim. Otherwise, enter a zero.
- (16) Enter the result of subtracting line (14) and line (15) from line (13).
- (17) If line (16), Net Claimed Amount, is positive, enter that amount on line (17), Due from State.
- (18) If line (16), Net Claimed Amount, is negative, enter that amount on line (18), Due to State.
- (19) to (21) Leave blank.
- (22) to (28) Reimbursement Claim Data. Bring forward the cost information as specified on the left-hand column of lines (22) through (28) for the reimbursement claim, e.g., Form-1, (03)(A)(g), means the information is located on Form-1, block (03)(A), column (g). Enter the information on the same line but in the right-hand column. Cost information should be rounded to the nearest dollar, i.e., no cents. Indirect costs percentage should be shown as a whole number and without the percent symbol, i.e., 35.19% should be shown as 35. **Completion of this data block will expedite the payment process.**
- (37) Read the statement "Certification of Claim." If it is true, the claim must be dated, signed by the agency's authorized officer, and must include the person's name and title, typed or printed. **Claims cannot be paid unless accompanied by an original signed certification. (To expedite the payment process, please sign the form FAM-27 with blue ink, and attach a copy of the form FAM-27 to the top of the claim package.)**
- (38) Enter the name, telephone number, and e-mail address of the person to contact if additional information is required.

**SUBMIT A SIGNED ORIGINAL, AND A COPY OF FORM FAM-27, WITH ALL OTHER FORMS AND SUPPORTING DOCUMENTS TO:**

***Address, if delivered by U.S. Postal Service:***

**OFFICE OF THE STATE CONTROLLER  
 ATTN: Local Reimbursements Section  
 Division of Accounting and Reporting  
 P.O. Box 942850  
 Sacramento, CA 94250**

***Address, if delivered by other delivery service:***

**OFFICE OF THE STATE CONTROLLER  
 ATTN: Local Reimbursements Section  
 Division of Accounting and Reporting  
 3301 C Street, Suite 500  
 Sacramento, CA 95816**

<b>Program</b>  <b>284</b>	<b>MANDATED COSTS</b> <b>BINDING ARBITRATION</b> <b>CLAIM SUMMARY</b>						<b>FORM</b>  <b>1</b>	
(01) Claimant				(02)		Fiscal Year ____ / ____		
<b>Direct Costs</b>		<b>Object Accounts</b>						
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
(03) Reimbursable Activities		Salaries	Benefits	Materials and Supplies	Contract Services	Fixed Assets	Travel	Total
A. Selection of Panel Member and Chairperson								
B. Arbitration Process								
(04) Total Direct Costs								
<b>Indirect Costs</b>								
(05) Indirect Cost Rate						[From ICRP or 10%]		%
(06) Total Indirect Costs						[Refer to claiming instructions]		
(07) Total Direct and Indirect Costs						[Line (04)(g) + line (06)]		
<b>Cost Reduction</b>								
(08) Less: Offsetting Savings								
(09) Less: Other Reimbursements								
(10) Total Claimed Amount								[Line (07) - {(line (08) + line (09))}]

<b>Program</b>  <b>284</b>	<b>MANDATED COSTS</b> <b>BINDING ARBITRATION</b> <b>CLAIM SUMMARY</b>	<b>FORM</b>  <b>1</b>
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- (01) Enter the name of the claimant.
- (02) Enter the fiscal year of claim.
- (03) Reimbursable Activities. For each reimbursable activity, enter the total from form 2, line (05), columns (d) through (i) to form 1, block (03), columns (a) through (f) in the appropriate row. Total each row.
- (04) Total Direct Costs. Total columns (a) through (g).
- (05) Indirect Cost Rate. Indirect costs may be computed as 10% of direct labor costs, excluding fringe benefits, without preparing an ICRP. If an indirect cost rate of greater than 10% is used, include the Indirect Cost Rate Proposal (ICRP) with the claim.
- (06) Total Indirect Costs. If the 10% flat rate is used for indirect costs, multiply Total Salaries, line (04)(a), by the Indirect Cost Rate, line (05). If an ICRP is submitted and both salaries and benefits were used in the distribution base for the computation of the indirect cost rate, then multiply the sum of Total Salaries, line (04)(a), and Total Benefits, line (04)(b), by the Indirect Cost Rate, line (05). If more than one department is reporting costs, each must have its own ICRP for the program.
- (07) Total Direct and Indirect Costs. Add line (04)(g) plus line (06).
- (08) Less: Offsetting Savings. If applicable, enter the total savings experienced by the claimant as a direct result of this mandate. Submit a detailed schedule of savings with the claim.
- (09) Less: Other Reimbursements. If applicable, enter the amount of other reimbursements received from any source including, but not limited to, service fees collected, federal funds, and other state funds, that reimbursed any portion of the mandated cost program. Submit a schedule detailing the reimbursement sources and amounts.
- (10) Total Claimed Amount. Line (07) less the sum of line (08) plus line (09). Enter the total on this line and carry the amount forward to form FAM-27, line (13) for the Reimbursement Claim.

<b>Program</b>  <div style="background-color: black; color: white; padding: 5px; font-size: 24px; font-weight: bold;">284</div>	<b>MANDATED COSTS</b> <b>BINDING ARBITRATION</b> <b>ACTIVITY COST DETAIL</b>	<b>FORM</b>  <div style="font-size: 36px; font-weight: bold;">2</div>
(01) Claimant		(02) Fiscal Year
(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.		
<div style="display: flex; justify-content: space-around; align-items: flex-start;"> <div> <input type="checkbox"/> Selection of Panel Member and Chairperson                 </div> <div> <input type="checkbox"/> Arbitration Process                 </div> </div>		
(04) Description of Expenses		<b>Object Accounts</b>
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity
(d) Salaries	(e) Benefits	(f) Materials And Supplies
(g) Contract Services	(h) Fixed Assets	(i) Travel
(05) Total <input type="checkbox"/> Subtotal <input type="checkbox"/> Page ____ of ____		

<b>Program</b>  <b>284</b>	<b>BINDING ARBITRATION</b> <b>ACTIVITY COST DETAIL</b> <b>Instructions</b>	<b>FORM</b>  <b>2</b>
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- (01) Claimant. Enter the name of the claimant.
- (02) Fiscal Year. Enter the fiscal year for which costs were incurred.
- (03) Reimbursable Activities. Check the box that indicates the activity being claimed. Check only one box per form. A separate Form 2 shall be prepared for each activity.
- (04) Description of Expenses. The following table identifies the type of information required to support reimbursable costs. To detail costs for the activity box "checked" in block (03), enter the employee names, position titles, a brief description of the activities performed, actual time spent by each employee, productive hourly rates, fringe benefits, supplies used, contract services, and travel expenses. **The descriptions required in column (4)(a) must be of sufficient detail to explain the cost of activities or items being claimed.** For audit purposes, all supporting documents must be retained by the claimant for a period of not less than three years after the date the claim was filed or last amended, whichever is later. If no funds were appropriated and no payment was made at the time the claim was filed, the time for the Controller to initiate an audit shall be from the date of initial payment of the claim. Such documents shall be made available to SCO on request.

Object/ Sub object Accounts	Columns									Submit supporting documents with the claim
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
<b>Salaries</b>	Employee Name & Title	Hourly Rate	Hours Worked	Salaries= Hourly Rate x Hours Worked						
<b>Benefits</b>	Activities Performed	Benefit Rate			Benefits+ Benefit Rate X Salaries					
<b>Materials and Supplies</b>	Description of Supplies Used	Unit Cost	Quantity Used			Cost= Unit Cost X Quantity Used				
<b>Contract Services</b>	Name of Contractor  Specific Tasks Performed	Hourly Rate	Hours Worked Inclusive Dates of Service				Cost=Hourly Rate x Hours Worked or Total Contract Cost			Copy of Contract and Invoices
<b>Fixed Assets</b>	Description of Equipment Purchased	Unit Cost	Usage					Cost=Unit Cost x Usage		
<b>Travel</b>	Purpose of Trip Name and Title Departure and Return Date	Per Diem Rate Mileage Rate Travel Cost	Days Miles Travel Mode						Total Travel=Rate x Days or Miles	

- (05) Total line (04), columns (d) through (i) and enter the sum on this line. Check the appropriate box to indicate if the amount is a total or subtotal. If more than one form is needed to detail the activity costs, number each page. Enter totals from line (05), columns (d) through (i) to form 1, block (03), columns (a) through (f) in the appropriate row.